



City of Casa Grande, Arizona
Report on Applying Agreed-Upon Procedures
Biennial Certification of Land Use Assumptions,
Infrastructure Improvement Plan
and Development Impact Fees
For the Period July 1, 2018 through June 30, 2020

CITY OF CASA GRANDE, ARIZONA
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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

Honorable Mayor and Members of the City Council

We have performed this agreed-upon procedures engagement to assist management of the City of Casa Grande, Arizona (City), in complying with the requirement as set forth in Arizona Revised Statutes (A.R.S.) 9-463.05.G.2 “to provide for a biennial certified audit of the municipality’s land use assumptions, infrastructure improvements plan and development fees”. We have performed the procedures identified below, which were agreed to by the management of City of Casa Grande, Arizona, solely to assist management of the City in evaluating the City’s compliance with the progress reporting requirements of the infrastructure improvement plan for the period from July 1, 2018 through June 30, 2020, as specified in A.R.S. 9-463.05.G.2. City of Casa Grande, Arizona’s management is responsible for its compliance with those requirements. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purposes.

We have applied the following procedures:

The progress of the infrastructure improvements plan.

- a. Compared growth projections related to New Housing Units by Type, Non-Residential Square Footage by Type and Population, as reported in the Land Use Assumptions to actual results. A list of all variances are reported in the Summary of Findings.
- b. Obtained City-prepared Development Impact Fee Annual Reports for the fiscal years ending June 30, 2019 and 2020 and performed the following procedures:
 - a. Agreed expenditures in the reports to the underlying accounting records.
 - b. Determined project descriptions associated with each expenditure were identified in the Infrastructure Improvement Plan (IIP).

The collection and expenditures of development impact fees for each project in the plan.

- c. Selected a sample of 40 building permits issued and determined fees were charged in accordance with authorized fee schedules and that each permit holder was charged the same rate as another equivalent permit holder. Any inequities in the imposition of development fees are reported in the Summary of Findings.
- d. Selected a sample of 40 expenditures and determined that the expenditures were associated with an approved project in the City’s IIP.

Evaluating any inequities in implementing the plan or imposing the development impact fee.

- e. Determined each developer/unit was charged the same rate as another equivalent developer/unit by recalculating impact fees at the transaction level for the sample mentioned in step c above.
- f. Determined that there were no instances in which the City waived development impact fees, except as allowed for under A.R.S. 9-499.10.B and A.R.S. 9-500.18.

The accompanying Summary of Findings describes the findings we noted.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on compliance with the specified requirements. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the management of City of Casa Grande, Arizona, and is not intended to be and should not be used by anyone other than these specified parties.

Heinfeld Meech & Co. PC

Heinfeld, Meech & Co., P.C.

Scottsdale, Arizona

November 30, 2021

CITY OF CASA GRANDE, ARIZONA
SUMMARY OF FINDINGS

EXCEPTION NO. 1

Variances were noted for growth projections related to new housing units, new non-residential square footage, and population as reported in the Land Use Assumptions when compared to actual results. All variances are reported below.

NEW HOUSING UNITS

	2018-19				2019-20			
	<u>Projected</u>	<u>Actual</u>	<u>Variance</u>	<u>Variance %</u>	<u>Projected</u>	<u>Actual</u>	<u>Variance</u>	<u>Variance %</u>
Single Family	168	539	371	221%	203	605	402	198%
Multi-Family	33	0	(33)	-100%	40	0	(40)	-100%
Mobile Homes	41	83	42	102%	50	67	17	34%
All Other Types	2	15	13	650%	3	4	1	33%

NEW NON-RESIDENTIAL SQUARE FOOTAGE

	2018-19				2019-20			
	<u>Projected</u>	<u>Actual</u>	<u>Variance</u>	<u>Variance %</u>	<u>Projected</u>	<u>Actual</u>	<u>Variance</u>	<u>Variance %</u>
Retail/Commercial	51,000	3,684	(47,316)	-93%	52,020	8,169	(43,851)	-84%
Industrial/Flex	350,000	12,000	(338,000)	-97%	250,000	786,700	536,700	215%
Office/Institutional	20,400	46,621	26,221	129%	20,808	0	(20,808)	-100%

TOTAL POPULATION

	2018-19				2019-20			
	<u>Projected</u>	<u>Actual</u>	<u>Variance</u>	<u>Variance %</u>	<u>Projected</u>	<u>Actual</u>	<u>Variance</u>	<u>Variance %</u>
Population	54,146	55,772	1,626	3%	54,827	56,962	2,135	4%

EXCEPTION NO. 2

For one of 40 expenditures reviewed, the expenditure did not have proper supporting documentation. The City performed the journal entry to move \$11,140 of expenditures to the Transportation Impact Fee Fund which represented an entire purchase order, however, actual expenditures against the purchase order were only \$4,576.